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SUBJECT: NAS MONTHLY REPORT FOR MARCH 2007

REF: A. LIMA 0909

[1](#)B. LIMA 0608
[1](#)C. LIMA 0767

SUMMARY

[1](#)1. (U) The key developments in March 2007:

** Eradication halted on March 11 for the rest of the month due to cocalero protests; 651 ha of coca eradicated to date.

** Agriculture Minister Salazar signs 10-point accord with cocaleros that halts eradication and criticizes USG policy.

** CORAH doing public service projects while waiting for eradication operations to restart.

** Interior Minister Pilar Mazzetti resigns after mishandling corruption probe and is replaced by ruling party stalwart Luis Alva Castro.

** DIRANDRO accepts NAS proposal to reorganize into two special operations divisions to improve operational efficiency.

** NAS receives helicopter gun mounts for M-60 machine guns and is requesting UH-2 armor plating for operations in VRAE and the Monzon.

** NAS provides significant assets in support of "Operation All-Inclusive," a joint interdiction operation with DEA and Peruvian Police, Navy, Air Force, and Customs.

** Maritime and airport seizures continue to outpace last year's numbers.

** Community anti-drug coalitions are doubling their areas and membership and focusing on measurable results.

** ILEA planning training on money-laundering in Lima in April.

** NAS and OAS/CICAD are supporting judicial reform efforts

by training of Peruvian prosecutors in the accusatory trial system.

END SUMMARY

ERADICATION HALTED ON MARCH 11 BY COCALERO PROTESTS

¶2. (U) Eradication ended abruptly on March 11 when a group of cocaleros threatened CORAH workers near Tocache and staged a strike in the city of Tocache. On the same day, 70 percent of the PNP supporting the eradicators were taken to Tocache to support local police in controlling a strike by coca farmers. The remaining police remained at the base on "maximum alert", so all eradication efforts ceased. By the end of March, CORAH had eradicated 651 hectares of coca and eliminated 4,458 square meters of seedbeds, the equivalent of an additional 297 hectares of coca.

AGRICULTURE MINISTER SALAZAR SIGNS PRO-COCALERO ACCORD

¶3. (SBU) On March 13, new Interior Minister Alva Castro and Agriculture Minister Salazar were traveling with NAS to a PNP Academy graduation when they broke off to go to Tocache to meet with striking cocaleros, where they promised a "mesa de dialogo" to discuss their grievances. Salazar returned without Alva Castro on March 15. Following a day-long meeting, Salazar signed a 10-point accord with the cocaleros led by Congresswomen Nancy Obregon and Elsa Malpartida. The most controversial elements of it were an "empadronamiento" (registration) of cocaleros at a national level (empadronamiento connotes granting "licit" status to the coca), a halt to forced eradication apart from 1,000 square meters around maceration pits, compensation for eradication when coca-growers had sold to the state purchasing agency ENACO, and a transfer of ENACO to local governments. In public statements during the signing, the Agriculture Minister said that Peru had no coca policy--it was directed by the United States--and that cocaleros had been defrauded by alternative development (Ref A).

CORAH IS READY TO RESTART ERADICATION OPERATIONS

¶4. (SBU) Eradication operations are set to resume in early April. The plans call for the police to play an aggressive role in cordoning off the area and protecting CORAH personnel. Eradication would start in a sparsely populated area with extensive coca cultivation. This operation depends on the arrival of a full complement of police. During this hiatus, CORAH eradicators have been working on public service projects in Santa Lucia, e.g., clearing trash along the roads, weeding athletic courts, cleaning culverts of debris, and repairing local flood damage. CORAH began the month supporting the Alternative Development Program (ADP) by going into communities that had signed agreements but still had some people cultivating coca. An aerial reconnaissance carried out on March 3 showed a replanting rate of 50 percent in the areas where ADP is working.

MAZZETTI RESIGNS AFTER MISHANDLING CORRUPTION PROBE

¶5. (U) After Interior Minister Pilar Mazzetti resigned in late February in the face of snowballing criticism of an overpriced purchase of 469 vehicles for the Peruvian National Police (PNP), Luis Alva Castro, a stalwart in the ruling American Popular Revolutionary Alliance (APRA) party, was named to replace her. Although Mazzetti was not accused of personally benefiting from the purchase, her detractors criticized her for not monitoring the contract more closely and for not stopping it once it became public. The case continues to receive GOP scrutiny. Three senior Interior Ministry officials involved in the purchase have subsequently been forced out this month (Ref B).

DIRANDRO RESTRUCTURING TO IMPROVE OPERATIONAL EFFICIENCY

16. (U) NAS proposed a plan to DIRANDRO to modify the PNP organizational structure to increase operational efficiency. In the past, all sections and groups in DIRANDRO reported to the commanding general. The new proposal would create two special operations divisions, one in the VRAE and one for the Upper Huallaga under the command of senior-level colonels. This change would streamline the chain of command and allow more operational flexibility. DIRANDRO is now getting final approval for the change from the PNP Director General.

17. (U) To date, DIRANDRO has destroyed 73 cocaine-production laboratories and 2 cocaine HCl laboratories, and it has seized 9,468 kg of cocaine HCl, 33,470 kg of coca leaf, and 1,000 kg of cocaine base. The DIRANDRO Special Operations Group (GOES) in the VRAE has destroyed 69 cocaine-production laboratories, 5.9 metric tons of precursor chemicals, and seized 1,500 kg of cocaine base. The GOES destroyed a large HCl cocaine laboratory in the township of Sivia, Department of Ayacucho, as well as 4,470 kg of precursor chemicals. This laboratory was capable of producing between 500-700 kg of cocaine HCl per week. On March 24, DIRANDRO seized 120 metric tons of precursor chemicals in the department of Cajamarca. This is one of the largest seizures of precursor chemicals in the last five years. In the Upper Huallaga, seven cocaine-production laboratories have been destroyed. (COMMENT: As noted in our February Monthly Report (Ref C), NAS will now use the term "cocaine production laboratory" to describe what we have previously referred to as "cocaine-base labs" or "rustic labs" or "pozo pits." END COMMENT.)

ALL HELICOPTERS GET M-60D GUN MOUNTS, NOW ASKING FOR ARMOR

18. (U) Since we are expecting to operate more in hostile environments (i.e., the Monzon and the VRAE), NAS had a critical shortage of seven M-60D machine guns mounts for our helicopters. With NAS Air Wing support, we were able to coordinate with NAS Colombia to obtain their excess gun mounts. NAS Lima now has 23 UH-2s with M-60Ds. DEVIDA's 2007 anti-drug plan stresses interdiction and seizure of precursor chemicals, so interdiction operations in the Monzon and VRAE are a high priority. Thus, NAS is also working closely with NAS Air Wing to procure basic armor plating for the helicopters. NAS is also procuring a FLIR for the UH-2 helicopter. The FLIR will be used by the helicopters at night in the Monzon and VRAE to locate drug operations--personnel and laboratories. The FLIR should be operational within four months.

19. (U) The digital mapping camera for the FAP C-26 aircraft has been purchased. The camera will allow for more enhanced visual images of targets and detailed photographic monitoring of eradication activities, replanting of previously eradicated fields, and imaging of new cultivations. The C-26s will be flown to Okalahoma City to be modified by the contractor ARINC.

NAS PROVIDES SUPPORT FOR "OPERATION ALL INCLUSIVE"

110. (U) NAS Lima is participating in "Operation All Inclusive" with DEA Lima. This international exercise runs March 22-31 and April 10-14 and involves South American and Caribbean countries and Spain. NAS Lima efforts focused on the Peruvian northern border and coastal areas. This is the first time NAS, DEA, the Peruvian Navy and Air Force, Customs, and SUNAT have participated as a coordinated team. The operation's objective is to disrupt and dismantle maritime narcotics trafficking operating within 200 nautical miles of Peruvian ports. The Command Center for the operation was located at a NAS facility near the Port of Paita.

111. (SBU) A key element in this operation is the USG-funded FAP C-26 squadron with FLIR. The FAP C-26s are being used for day and night reconnaissance and imagery collection

operations. The Peruvian Navy is deploying two "Sea Ark" patrol boats (previously donated by NAS), and is conducting their own counterdrug operation with 12 vessels (including 3 submarines) and 2 aircraft. Peruvian Customs is also setting up random road blocks along all major roads leading into Ecuador from Peru as well as reinforcing the two primary entry points along the Peru/Ecuador border.

PORT SEIZURES INCREASE OVER LAST YEAR

¶12. (SBU) The Airport Program, consisting of Peruvian Customs, DIRANDRO, and Immigration authorities, seized 361 kg of cocaine HCl during March in 103 interdiction incidents. In addition, the Post Office (SERPOST) program seized 69 kg of cocaine HCl. Seizures have doubled since NAS began CN training at the airport in 2006. During the first quarter of 2007, 2,143 kg of cocaine HCl was seized--equal to the entire amount (2,000 kg) seized in 2006. As of March 31, 210 mules (persons transporting drugs) have been intercepted--nearly equal to the 240 mules intercepted in all of 2006. The US-trained canine teams were instrumental in this large increase in seizures. In addition, non-intrusive instruments (e.g., ion scans, fiber optics, and busters) and mobile x-ray equipment are also being used by customs and police officials.

ANTI-DRUG COALITIONS INCREASE THEIR VISIBILITY AND IMPACT

¶13. (U) NAS has held a series of meeting with the six community anti-drug coalitions (CAC) and the supporting demand-reduction NGOs to coordinate their efforts to reach our FY 2007 goals. The four areas to focus on are: 1) increasing the visibility of the CACs in municipalities; 2) expanding the core CAC areas by 100 percent or more; 3) achieving the results specified in the CACs' Logic Models; 4) making measurable strides toward organizational and financial sustainability. Toward these ends, a three-person team of Peruvians will provide technical assistance to the CACs. Other demand-reduction NGOs are assisting the CACs in training members to run specialized DR programs. NAS's communications campaign, based on social marketing principles, will assist the CACs in increasing their visibility. NAS expects to double the number of CACs to twelve by the end of the fiscal year.

ILEA TRAINING SCHEDULED; CICAD WILL TRAIN PROSECUTORS

¶14. (U) NAS has been working with ILEA and the US Department of Treasury to set up two April courses at the ILEA Regional Training Center in Lima on combating money laundering crimes. The first is a three day seminar on supervising non-bank money service businesses. The second is a two week course on Financial Investigation Techniques. Participants will be coming from Mexico, Ecuador, and Peru. In addition, NAS money laundering advisors met with senior officials from the Ministry of Commerce and Tourism to discuss projects they believe are needed to control the incipient online gambling industry in Peru. In particular, the Ministry officials asked for assistance in drafting legislation to control this industry.

¶15. (U) This month, the Public Ministry was busy preparing to initiate the accusatory trial system in the regional department of La Libertad. NAS arranged to bring two experienced prosecutors from Chile to assist the Peruvians in this program. NAS also finalized plans to have CICAD provide training courses to Public Ministry prosecutors in August on the preparation and presentation of cases in an accusatory trial mode. NAS advisors continue to work with the Ministry of Justice to develop a campaign to encourage the Peruvian Congress to pass proposed legislation to permit the non penal seizure of illicitly gained assets. This legislation is scheduled to be debated in the Congress' Justice Commission in mid April.

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